

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 PA-02 PRS-01 AGR-10 STR-04 AID-05

CIAE-00 EB-07 FRB-01 INR-07 NSAE-00 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 TAR-01

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R 302011Z DEC 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8466

USDOC WASHDC

USIA WASHDC

INFO AMCONSUL GUAYAQUIL

UNCLAS QUITO 9473

FOR: WASHINGTON COMMERCIAL ACTION GROUP (WCAG) FOR ECUADOR

E.O. 11652: N/A

TAGS: BEXP, EC

SUBJECT: MONTHLY MEETING OF COUNTRY COMMERCIAL ACTION GROUP (CCAG)

1. THE CCAG HELD ITS MONTHLY MEETING ON DECEMBER 17. EACH CAMPAIGN MANAGER (CM) REPORTED ON THE STATUS OF THE RESPECTIVE CAMPAIGNS. A FEW SLIGHT DELAYS WERE NOTED IN MEETING ACTION DEADLINES. EACH CM ASSURED THE CCAG THAT DELAYS WOULD BE OVERCOME WITHIN THE NEXT FEW WEEKS. BY JANUARY 15 THE CCAG WILL REPORT FULLY TO THE WCAG ON ANY SUCH REMAINING DELAYS, IN OUR QUARTERLY PROGRESS REPORT ON THE CCP. (ALSO, SEE THE FINAL PARAGRAPH BELOW.)

2. THE E/C COUNSELOR GAVE A BRIEF PRESENTATION ON THE GENERAL SYSTEM OF PREFERENCES (GSP) AND ITS IMPACT ON ECUADOR'S EXPORTS TO THE U.S. THE COUNSELOR NOTED THAT PUBLIC STATEMENTS BY GOE OFFICIALS, AND ECUADOREAN PRESS ARTICLES, INVARIABLY CONTAINED MANY FACTUAL ERRORS WHICH GREATLY EXAGGERATED THE ADVERSE IMPACT OF ECUADOR'S EXCLUSION FROM THE GSP.

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THE COUNSELOR SAID THAT HE AND/OR USIS HAD SENT

CORRECTIONS TO SOME OF THE ERRING OFFICIALS AND JOURNALISTS, AND TO THE ECUADOREAN-AMERICAN CHAMBER OF COMMERCE; AND HE URGED ALL CCAG MEMBERS TO BRING CORRECTIONS TO THE ATTENTION OF APPROPRIATE CONTACTS, INCLUDING ESPECIALLY THE FACTS THAT: MORE THAN 90 PERCENT OF ECUADOR'S EXPORTS TO THE U.S. ENTER DUTY-FREE, AND WILL CONTINUE TO DO SO AFTER GSP GOES INTO FORCE; SOME OF THE ECUADOREAN EXPORTS CITED BY THE GOE AND THE LOCAL PRESS AS BEING LIKELY TO SUFFER MILLIONS OF DOLLARS IN LOST SALES (E.G., BANANAS, SUGAR, CERTAIN VEGETABLE COLORANTS) ARE AMONG THOSE THAT ENTER THE U.S. DUTY-FREE, AND THUS WILL NOT BE AFFECTED AT ALL; FOR SOME OF THE OTHER OFT-CITED "CASUALTIES" (E.G., STRAW HATS) ECUADOR HAS VIRTUALLY NO COMPETITION, AND THUS WILL SUFFER SCANT OR NO LOSS OF SALES; AND AVAILABLE DATA INDICATE THAT LESS THAN 4 PERCENT OF ECUADOR'S EXPORTS TO THE U.S. WILL BE AFFECTED TO ANY EXTENT BY THE GSP EXCLUSION.

3. THE E/C COUNSELOR ALSO BRIEFED THE CCAG ON THE RECENT POLICY CHANGE BY OPIC, UNDER WHICH THAT AGENCY HAS RESUMED OFFERING ALL ITS VARIOUS KINDS OF ASSISTANCE TO U.S. PRIVATE INVESTORS INTERESTED IN UNDERTAKING VENTURES IN ECUADOR. DURING A RECENT VISIT TO QUITO BY AN OPIC REPRESENTATIVE, PLANNING WAS INITIATED FOR SEMINARS TO BE HELD IN QUITO AND GUAYAQUIL IN OR AROUND MARCH 1976. AT THE SEMINARS, OPIC OFFICIALS WILL EXPLAIN TO APPROPRIATE GOE OFFICIALS AND INTERESTED LOCAL BUSINESSMEN THE VARIOUS KINDS OF ASSISTANCE AVAILABLE FROM OPIC. THE SEMINARS ARE TO BE CO-SPONSORED BY THE ECUADOREAN-AMERICAN CHAMBER OF COMMERCE, THE QUASI-GOVERNMENTAL CENDES (INDUSTRIAL DEVELOPMENT CENTER OF ECUADOR) AND CICE (COMMITTEE OF INFORMATION AND EXTERNAL CONTACT, A PRESTIGIOUS PRIVATE ORGANIZATION IN QUITO), AS WELL AS OPIC AND THE EMBASSY.

4. FINALLY, THE E/C COUNSELOR REPORTED ON MEASURES HE HAS EFFECTED TO "FREE UP" THE WORKTIME OF THE EMBASSY'S SOLE LOCAL COMMERCIAL ASSISTANT, IN ORDER FOR THE ASSISTANT TO DEVOTE MORE TIME TO MARKET-RESEARCH FUNCTIONS AS THE KEY MEMBER OF THE MARKET ANALYSIS UNIT (MAU) IN QUITO. CERTAIN ROUTINE NON-RESEARCH RESPONSIBILITIES OF THE ASSISTANT

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(MAINLY, THOSE RELATED TO THE TRANSLATION INTO ENGLISH AND THE FINAL PREPARATION OF WTD REPORTS, FROM INFORMATION SUPPLIED BY AN OUTSIDE CONTRACTOR) HAVE BEEN TRANSFERRED TO THE E/C SECTION'S AMERICAN SECRETARY, WHOSE OTHER WORKLOAD HAS IN TURN BEEN MINIMIZED BY SHIFTING MOST OF HER UNCLASSIFIED TYPING CHORES TO THE TWO LOCAL SECRETARIES IN THE SECTION. THE COUNSELOR SAID HE HAS REQUESTED THE COMMERCIAL OFFICER AT THE CONSULATE GENERAL IN GUAYAQUIL

TO SEEK WAYS AND MEANS TO FREE UP THE WORKTIME OF THE LOCAL EMPLOYEE WHO IS THE SOLE MAU MEMBER AT THAT POST, SO THAT THE MAU THERE TOO COULD STEP UP ITS ACTIVITIES IN PURSUIT OF TRADE OPPORTUNITIES AND OTHER MARKET RESEARCH. THE COMMERCIAL OFFICER REPORTED TO THE CCAG THAT HE HAS BEGUN TO SEARCH FOR A SUITABLE PRIVATE CONTRACTOR IN GUAYAQUIL WHO COULD BE HIRED TO COMPILE INFORMATION FOR WTD REPORTS, THUS RELIEVING THE MAU MEMBER THERE FROM THAT TIME-CONSUMING FUNCTION. (FUNDS FOR SUCH OUTSIDE CONTRACTING ARE AVAILABLE TO THE CONGEN FOR FY 1976.)

5. ACTION REQUESTED: WE ARE STILL AWAITING RECEIPT OF USEFUL INFORMATION TO SERVE AS THE BASIS FOR FEATURE ARTICLES IN OUR COMMERCIAL BULLETIN ON METAL-WORKING (SEE CCP ANNEX A, ACTION NO. 4) AND ON BUILDING/CONSTRUCTION EQUIPMENT (ANNEX B, ACTION NO. 2).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975QUITO09473
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750450-0629
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975124/aaaaadif.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by ReddocGW>; APPROVED <28 JAN 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MONTHLY MEETING OF COUNTRY COMMERCIAL ACTION GROUP (CCAG)
TAGS: BEXP, EC
To: STATE USIA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006